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FM AMEMBASSY LIMA  
TO RUEHC/SECSTATE WASHDC 0319  
INFO RUEHBO/AMEMBASSY BOGOTA 3353  
RUEHQT/AMEMBASSY QUITO 0307  
RUEHLP/AMEMBASSY LA PAZ MAY SANTIAGO 0489  
RUEHCV/AMEMBASSY CARACAS 9411  
RUEHBU/AMEMBASSY BUENOS AIRES 2376  
RUEANHA/FAA NATIONAL HQ WASHDC  
RUEAYVF/FAA MIAMI FL  
RUEKJCS/DOD WASHINGTON DC

UNCLAS LIMA 001776

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DEPT FOR WHA/AND, EB/TRA/AN, PM/ISO  
PENTAGON FOR USAF/XONP DALE CHANEY

E.O. 12958: N/A

TAGS: [EAIR](#) [ECON](#) [EFIN](#) [ETRD](#) [EINV](#) [PGOV](#) [PE](#)

SUBJECT: STATUS OF LIMA AIRPORT - QUESTIONS ANSWERED

REF: A) STATE 57224            B) LIMA 1774

¶1. (SBU) Summary. Per reftel A, Post met with officials from the Ministry of Foreign Affairs Aviation Office and the Lima Airport Partners (LAP) to ascertain information about the Lima Airport. Both the GOP and LAP continue to emphasize that the Lima Airport should not be considered a government airport, as it was concessioned to Lima Airport Partners in February 2001. Because both the GOP and LAP consider the Lima Jorge Chavez airport to be a private airport, officials argue that Embassy Lima must pay its outstanding bill dating back to 2001 for landing and other fees for state flights. Reftel B provides Post's recommendation on how to best resolve this issue. End Summary.

Peruvian Government Emphasizes  
Concession Contract  
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¶2. (SBU) We spoke to Augusto Arzubiaga, Minister Counselor for Aviation Affairs at the Ministry of Foreign Affairs, to discuss the status of the Lima Airport. Arzubiaga noted that the GOP considers the Lima airport to be privately owned, and therefore the USG should pay landing and related fees for state flights that land at the Jorge Chavez Airport. Arzubiaga explained, however, that the Ministry of Transport was willing to cover all fees for narcotics related flights, per the 1998 U.S.-Peru narcotics agreement. Post noted our appreciation and explained that we were coordinating with Washington the appropriate response (Reftel B).

¶3. (SBU) The Ministry of Transport and the Ministry of Foreign Affairs provided Econoff with the following answers to the four questions provided in reftel A: (Note: This is an unofficial translation. End Note)

--Is the airport operated by the national government or a national government agency?

The Jorge Chavez International Airport is operated by a private consortium, Lima Airport Partners S.R.L, which is controlled by Alterra Partners and Fraport AG Frankfurt Airport Services Worldwide. LAP and the Peruvian Government entered into a concession agreement on February 14, 2001.

--If operations are conducted by an entity which is not clearly the government or an agency of the government, how much of the entity's funding (on a percentage basis) comes from the national government?

Due to the modality of the contract of the Build Operate Transfer (BOT) concession, the resources for the improvements and operation of the airport originate primarily from the Concessionaire (LAP).

--If the airport is operated on a for-profit basis, is a portion of the revenue (not including taxes) returned to the national government? If so, what percentage of the revenue is returned to the national government?

LAP has an obligation, under its concession contract, to pay the Peruvian State 46.511 percent of its revenues.

--Is the entity operating the airport subject to day-to-day operational guidance from the national government?

The Concessionaire is subject to ICAO international norms. OSITRAN, the Peruvian regulatory agency for investment in infrastructure and public transport, ensures that the Concessionaire fulfills its contract.

LAP: Airport is Privately Controlled  
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14. (SBU) We also met with Bill Fullerton, Chief Development Officer at Lima Airport Partners, to further clarify how to classify the Jorge Chavez Airport. In addition to emphasizing that the Lima Airport is privately run, Fullerton noted that LAP will be contacting the Embassy this week to encourage immediate payment of the outstanding bill. We noted that we are working with the Ministry of Foreign Affairs to resolve this issue in a timely fashion.

15. (SBU) LAP provided the following answers to the four questions:

--Is the airport operated by the national government or a national government agency?

The Jorge Chavez International Airport (JCIA) is operated by Lima Airport Partners S.R.L. (LAP) by means of the concession agreement executed on February 14, 2001, by and between LAP and the Peruvian Government (represented by the Ministry of Transportation). LAP is a private Limited Liability Corporation set up in Lima, Peru, currently owned by Fraport (a German-based company) and Alterra (a UK-based company).

--If operations are conducted by an entity which is not clearly the government or an agency of the government, how much of the entity's funding (on a percentage basis) comes from the national government?

LAP's funding does not come from the national government but from the tariffs and prices charged for the provision of services to the users of the Airport (mainly passengers and airlines) based upon the use of the airport facilities or infrastructure.

--If the airport is operated on a for-profit basis, is a portion of the revenue (not including taxes) returned to the national government? If so, what percentage of the revenue is returned to the national government?

According to the concession agreement, LAP is obligated to pay the Peruvian state 46.511 percent of the total Gross Revenues obtained by LAP for all aeronautical and commercial activities. Furthermore, LAP has to pay OSITRAN (the regulatory and supervisory national agency) up to 1 percent of LAP's total revenues as a "regulatory fee." There are revenues that LAP is obligated to share with CORPAC -- a wholly state-owned company in charge of air traffic control in Peru and of the management and operation of all other

public airports around the country. This is based on a percentage of LAP's revenues from the Airport Use Tariff (TUUA) charged to international passengers (20 percent share is for CORPAC) and from the landing fees (50 percent is for CORPAC).

--Is the entity operating the airport subject to day-to-day operational guidance from the national government?

LAP is subject to the provisions stated in its concession agreement with the government and the applicable legal framework. OSITRAN is in charge of supervising LAP's compliance with such regulations.

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